

Environmental Protection Agency

§ 89.207-96

(f) Manufacturers must demonstrate compliance under the averaging, banking, and trading program for a particular model year by 270 days after the model year. Engine families without an adequate amount of emission credits will violate the conditions of the certificates of conformity. The certificates of conformity may be voided ab initio under § 89.126-96(c) for those engine families.

§ 89.204-96 Averaging.

(a) A manufacturer may use averaging to offset an emission exceedance of a nonroad engine family caused by an FEL above the applicable emission standard. Credits used in averaging may be obtained from credits generated by another engine family in the same model year, credits banked in the three previous model years, or credits obtained through trading.

(b) Credits scheduled to expire in the earliest model year must be used first, before using other available credits.

§ 89.205-96 Banking.

(a) A manufacturer of a nonroad engine family with an FEL below the applicable standard for a given model year may bank credits in that model year for use in averaging and trading in the following three model years. Credits not withdrawn within the three model years after they are banked are forfeited.

(b) A manufacturer of a nonroad engine family may bank credits up to one calendar year prior to the effective date of mandatory certification. Such engines must meet the requirements of subparts A, B, D, E, F, G, H, I, J, and K of this part.

(c) A manufacturer may bank actual credits only after the end of the model year and after EPA has reviewed the manufacturer's end-of-year reports. During the model year and before submittal of the end-of-year report, credits originally designated in the certification process for banking will be considered reserved and may be redesignated for trading or averaging in the end-of-year report and final report.

(d) Credits declared for banking from the previous model year that have not been reviewed by EPA may be used in averaging or trading transactions.

However, such credits may be revoked at a later time following EPA review of the end-of-year report or any subsequent audit actions.

§ 89.206-96 Trading.

(a) A nonroad engine manufacturer may exchange emission credits with other nonroad engine manufacturers in trading.

(b) Credits for trading can be obtained from credits banked in the three previous model years or credits generated during the model year of the trading transaction. Traded credits expire if they are not used in averaging within three model years following the model year in which they were generated.

(c) Traded credits can be used for averaging, banking, or further trading transactions.

(d) In the event of a negative credit balance resulting from a transaction, both the buyer and the seller are liable, except in cases involving fraud. Certificates of all engine families participating in a negative trade may be voided ab initio under § 89.126-96(c).

§ 89.207-96 Credit calculation.

For each participating engine family, emission credits (positive or negative) are to be calculated according to one of the following equations and rounded, in accordance with ASTM E29-90, to the nearest one-tenth of a megagram per hour (Mg/hr). ASTM E29-90 has been incorporated by reference. See § 89.6. Consistent units are to be used throughout the equation.

(a) For determining credit availability from all engine families generating credits:

$$\text{Emission credits} = (\text{Std} - \text{FEL}) \times (\text{Volume}) \times (\text{MinPR}) \times (10^{-6})$$

(b) For determining credit usage for all engine families requiring credits to offset emissions in excess of the standard:

$$\text{Emission credits} = (\text{Std} - \text{FEL}) \times (\text{Volume}) \times (\text{MaxPR}) \times (10^{-6})$$

Where:

Std = the current and applicable nonroad engine emission standard in grams per brake horsepower hour.

FEL = the family emission limit for the engine family in grams per brake horsepower hour.